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UNITED STATES DEPARTMENT OF AGRICULTURE
PRODUCTION AND MARKETING ADMINISTRATION
DAIRY BRANCH

I N S E R T S
for
SUMMARIES
of
FLUID MILK MARKETING ORDERS

Revised to January 1, 1950,

and

Federal Register Citations
for the Milk Price Orders

The attached are inserts to be substituted for the corresponding pages in the Summaries of Fluid Milk Marketing Orders, April 1, 1948, and Federal Register Citations for the Milk Price Orders. These inserts revise the Federal orders as effective on January 1, 1950. The last insert was issued on December 1, 1949

classification is based on the form held at, or moved from, the plant to which it is shipped (without limit on the number of interplant movements which may take place in these forms prior to classification), subject to special conditions specified in the order.

Class I-A - Milk, fluid milk products, and cultured or flavored milk drinks containing 3.0 per cent to 5.0 per cent of butterfat (except those classified in I-B or I-C) and all milk the classification of which is not otherwise established.

Class I-B - All Class I-A products delivered to a plant or purchaser in an area regulated by another Federal order.

Class I-C - All Class I-A products which are delivered to a plant or purchaser in an area not under Federal regulation.

Class II - Cream, sweet or sour, fluid cream products, and cultured or flavored milk drinks containing less than 3.0 per cent or more than 5.0 per cent of butterfat sold in the marketing area, except products classified in another class.

Class III - All other products not specifically mentioned in some other class.

Class Prices (3.5 per cent butterfat):

Class I-A - Related to a butter-powder value computed as follows: Price per pound of New York 92-score butter, plus 1.8 times the average price per pound of nonfat dry milk solids (other brands, carlots, bags or barrels, human consumption and animal feed) minus 4 cents. When the butter-powder value is under 30 cents, the Class I-A price is \$1.72 for April through June and \$2.16 for July through March. For each 5-cent increase in the butter-powder value, the Class I-A price increases by 22 cents per hundredweight.

The price for any of the months of March through June of each year can be no higher than for the immediately preceding month, and the price for any of the months of September through December of each year can be no lower than for the immediately preceding month.

For the months of January and February 1950 the price is \$4.80 per hundredweight.

FEDERAL MILK ORDER NO. 74

Columbus, Ohio

Marketing Area:

Cities of Columbus and Bexley and specified townships in Franklin County, Ohio.

Handler:

Person who receives milk from producers at a "fluid milk plant."

The term "fluid milk plant" is defined as the premises and parts of the building and facilities used in the receipt and processing or packaging of milk which is disposed of on a route wholly or partly within the marketing area. This excludes any part of building or facilities used for handling milk which the health authorities require to be kept separate from milk sold as Class I milk in the marketing area.

Producer:

Person who produces -

- (1) Under a dairy farm permit issued by appropriate health authorities, milk which is received at a "fluid milk plant," or
- (2) Milk received as part of a supply of a "fluid milk plant" not required by appropriate health authorities to obtain milk from farms under dairy farm permits.

Classification:

Class I - Fluid milk, skim milk, buttermilk, flavored milk, flavored milk drinks, and milk not accounted for in Class II or Class III.

Class II - Cream (sweet, sour or frozen), mixtures of cream, milk or skim milk (including eggnog) containing more than 6.0 per cent butterfat, aerated milk and cream, mixtures such as "Reddi-Whip," "Instant Whip," etc., bulk condensed milk and skim milk, ice cream, ice cream mix, ice sherbets, etc., and cottage cheese.

Class III - Evaporated milk in hermetically sealed cans, milk products other than those specified in Classes I and II, milk dumped or disposed of for livestock feed, and plant shrinkage not to exceed 2 per cent of receipts from producers.

Class Prices (skim milk and butterfat):"Basic formula" price -

A "basic formula" price is used for Class I and Class II prices. The "basic formula" price is the higher of:

- (1) Average of prices paid for 3.5 per cent milk at 18 specified plants (see list used for "basic formula" price in Chicago order).
- (2) Price per pound of Chicago 92-score butter, minus 3.5 cents, times 1.2, times 3.5, plus an amount computed as follows: Price per pound of nonfat dry milk solids (carlots, roller and spray process, f.o.b. Chicago area plants), minus 4 cents, times 8.2.

Class I - The "basic formula" price plus 75 cents during April, May, June, and July, and plus \$1.00 during all other months. The price for the months of October through December shall not be lower than, and the price for the months of April through June shall not be higher than the arithmetical average of the prices for such class for the two months immediately preceding each such month.

The separate values for skim milk and butterfat are determined as the respective percentage of the Class I price that the butterfat and skim milk values are of the total milk price under alternative "(2)" under "basic formula" price.

The price of skim milk or butterfat is not lower than the price of skim milk or butterfat in Class II.

Class II - "Basic formula" price plus 35 cents for April, May, June, and July; all other months "basic formula" price plus 60 cents.

The separate butterfat and skim milk values are determined in the same manner as for Class I.

The price for butterfat is not less than the value for Class III butterfat applicable to products other than butter.

Class III -

Skim Milk Price - Price per pound of nonfat dry milk solids (spray and roller process, in barrels, human consumption, f.o.b. manufacturing plants in Chicago area) minus 5-1/2 cents and multiplied by 8.5.

Butterfat Price - Price per pound of 92-score butter at Chicago times 120 (butterfat used for butter is \$5.00 per hundredweight less).

Butterfat Differentials:

Class Prices - None, because skim milk and butterfat are priced separately in each class.

Producer Price - The weighted average price per hundredweight of producer butterfat in Class II and Class III minus the weighted average price of producer skim milk in Class II and Class III divided by 1000.

Location Differentials:

Handlers - 17 cents per hundredweight is deducted on producer milk actually moved as whole milk to the marketing area from a plant more than 40 miles from Columbus.

Producer - 17 cents per hundredweight may be deducted from all producer milk received at a plant more than 40 miles from Columbus.

Method of Accounting for Milk:

Weights of butterfat and skim milk are computed separately as used in each class.

Type of Pool:

Market-wide, monthly pool, without base rating plan or new producer clause.

Interhandler Transfers:

Milk disposed of as fluid milk, as milk products in fluid form, or as cream to another handler who receives milk from producers, is classified as agreed upon by both handlers.

Milk disposed of as fluid milk or as milk products in fluid form to a handler who receives no milk from producers is classified as Class I milk. Milk disposed of to such a handler in the form of fluid cream is classified as Class II milk.

Outside Purchases:

"Emergency milk" (milk received from outside sources under a written permit from health authorities) is deducted pro rata from each class.

"Other source" milk (not emergency milk) is deducted in series beginning with the lowest priced class.

Outside Sales:

Milk disposed of by a handler to a nonhandler in the form of milk or other Class I products, is Class I and if disposed of as cream it is Class II. If statements are signed by both buyer and seller, classification may be made in accordance with actual use.

Milk sold outside the marketing area is priced the same as milk sold in the marketing area except that Class I milk or Class II milk sold in another marketing area covered by a Federal milk marketing agreement or order shall be paid for at any higher price which may be applicable in the other marketing area.

Producer-handlers:

Handlers who distribute only milk of their own production are exempt from regulatory provisions. Reports may be required by the market administrator.

Expense of Administration:

Handlers pay administrative cost not to exceed 2 cents per hundredweight.

Special Producer Provisions:

Deductions, as authorized by members, are turned over to the cooperative associations.

A marketing service charge not to exceed 5 cents is deducted for non-members.

Special Handler Provisions:

Operators of more than one fluid milk plant make a single report on all of their operations.

Milk and skim milk disposed of during April, May, June or July to soup, candy or bakery product manufacturers is priced as Class II (at other times it is Class I).

Under specified conditions skim milk made into sweetened condensed skim milk and disposed of to specified persons in January, February or March is priced at approximately the average of the Class III price for the months of April, May, and June of the preceding year.

- (b) 92-score butter at Chicago, times 6,

PLUS

2.4 times the price per pound of "Twins" at Plymouth, Wisconsin (or if "Twins" are not quoted, the price per pound of "Cheddars"),
Divide the sum by 7, add 30 per cent thereof, and multiply by 4, or

- (c) 92-score butter at Chicago, times 4, plus 20 per cent thereof

PLUS

Carlot, spray and roller process, nonfat dry milk solids (not including that designated for animal feed), Chicago area manufacturing plants, minus 5 cents, multiplied by 7.5 (approximate). (If the above dry milk solids prices are not reported, carlot prices of nonfat dry milk solids delivered at Chicago are used and the "make" allowance is 6 cents instead of 5 cents per pound, or

- (d) The price for Class III milk.

Class I - "Basic formula" price plus \$1.25. (For January, February, and March 1950 the price is not less than \$4.80 per hundredweight.)

Class II - "Basic formula" price plus 75 cents. (For January, February, and March 1950 the price is not less than \$4.30 per hundredweight.)

Class III - Average of prices paid for 4 per cent milk delivered at the following plants:

Gudahy Packing Co.,	Lafayette, Tennessee
Carnation Co.,	Murfreesboro, Tennessee
Kraft Foods Co.,	Gallatin, Tennessee
Borden Co.,	Fayetteville, Tennessee
Swift and Co.,	Lebanon, Tennessee
Borden Co.,	Lewisburg, Tennessee
Giles County Dairy Products,	Pulaski, Tennessee
Lakeshire-Marty Cheese Co.,	Carthage, Tennessee
Swift and Co.,	Lawrenceburg, Tennessee
Wilson and Co.,	Murfreesboro, Tennessee

Butterfat Differentials:

Class I Price - 92-score butter at Chicago multiplied by 0.14.

Class II Price - 92-score butter at Chicago multiplied by 0.135.

NEW YORK - ORDER NO. 27

<u>Citation</u>	<u>Date Published</u>	<u>Action</u>
14 FR 1466	4/1/49	Order, as amended
14 FR 3443	6/24/49	Order suspending certain provisions
14 FR 4746	7/29/49	" " " "
14 FR 7755	12/29/49	Amendment

TRI-STATE - ORDER NO. 72

<u>Citation</u>	<u>Date Published</u>	<u>Action</u>
11 FR 12926	11/1/46	Order, as amended
11 FR 13622	11/21/46	Order suspending certain provisions
12 FR 4243	7/1/47	Amendment No. 1
13 FR 1662	3/31/48	Order suspending certain provisions
13 FR 2330	4/30/48	Amendment No. 2
13 FR 7295	11/30/48	Amendment No. 3
14 FR 2783	5/27/49	Amendment No. 4
14 FR 7057	11/23/49	Order suspending certain provisions

MINNEAPOLIS-ST. PAUL - ORDER NO. 73

10 FR 13431	10/30/45	Order
11 FR 5992	6/4/46	Order suspending certain provisions
13 FR 8597	12/29/48	Amendment No. 1

COLUMBUS - ORDER NO. 74

14 FR 7421	12/10/49	Order, as amended
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CLEVELAND - ORDER NO. 75

12 FR 5840	8/30/47	Order, as amended
13 FR 2332	4/30/48	Amendment No. 1
13 FR 5653	9/30/48	Amendment No. 2
13 FR 9492	12/31/48	Amendment No. 3
14 FR 6592	10/29/49	Amendment No. 4

PADUCAH - ORDER NO. 77

<u>Citation</u>	<u>Date Published</u>	<u>Action</u>
12 FR 8808	12/27/47	Order
14 FR 6594	10/29/49	Amendment No. 1

NASHVILLE - ORDER NO. 78

12 FR 7320	11/8/47	Order
13 FR 5526	9/23/48	Amendment No. 1
14 FR 5388	8/31/49	Amendment No. 2
14 FR 7756	12/29/49	Amendment No. 3

TOPEKA - ORDER NO. 80

12 FR 8377	12/13/47	Order
13 FR 7704	12/14/48	Amendment No. 1

KNOXVILLE - ORDER NO. 88

14 FR 3832	7/13/49	Order
14 FR 7197	11/30/49	Amendment No. 1

ROCKFORD-FREEPORT - ORDER NO. 91

14 FR 4782	7/30/49	Order
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LIMA - ORDER NO. 95

14 FR 3515	6/29/49	Order
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